

Master Settlement Agreement

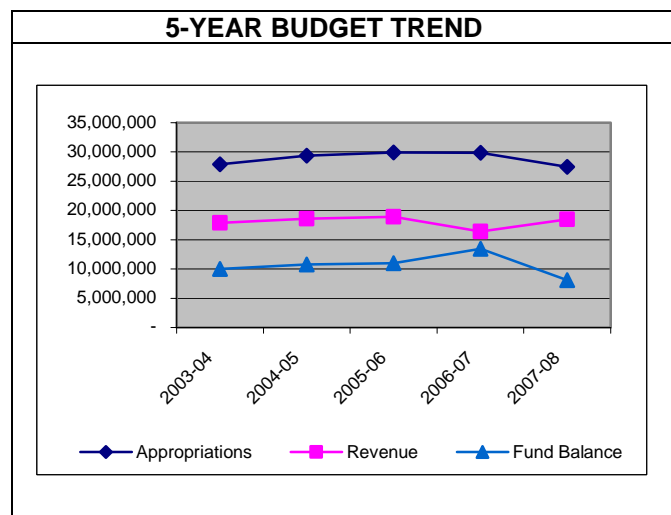
DESCRIPTION OF MAJOR SERVICES

This budget unit accounts for proceeds received from the tobacco lawsuit Master Settlement Agreement (MSA). In late 1998 a settlement was reached in a lawsuit filed by states against the tobacco industry. In California, the proceeds of the settlement are to be divided equally between the state and local governments who partnered in the lawsuit. Payments to local governments are based on a formula involving total tobacco sales and each local entity's population.

A majority of the county's total proceeds are used each year to finance a portion of the Arrowhead Regional Medical Center debt.

There is no staffing associated with this budget unit.

BUDGET HISTORY



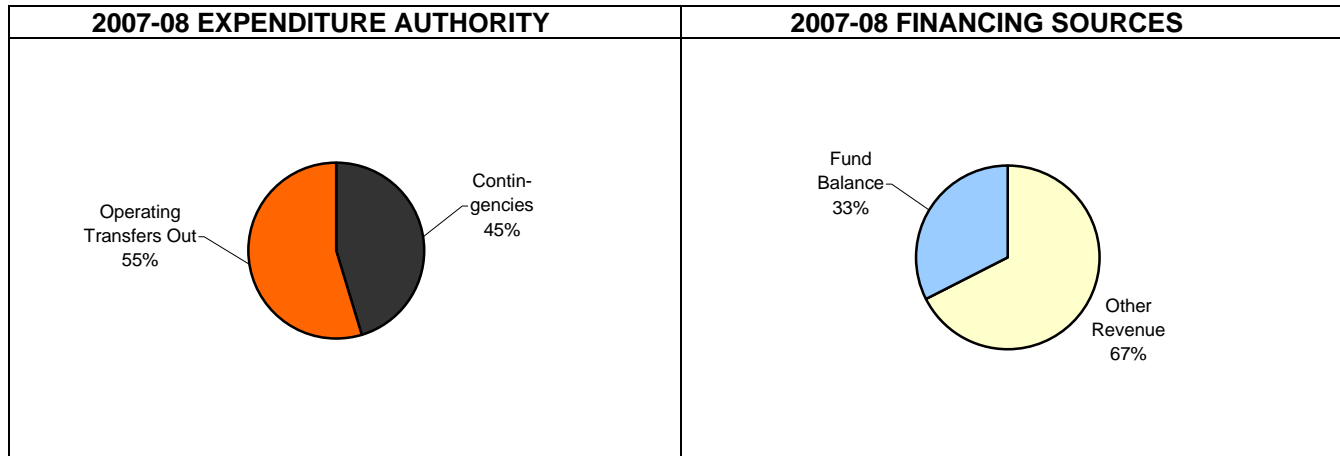
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	-	18,633,000	15,000,000	29,851,043	22,933,000
Departmental Revenue	18,473,314	18,757,407	17,438,142	16,423,588	18,440,431
Fund Balance				13,427,455	

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, actual expenditure is less than modified budget. Actual departmental revenue is higher than modified budget due to an increase in settlement monies being received.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Master Settlement Agreement
FUND: Tobacco Settlement Agreement

BUDGET UNIT: RSM MSA
FUNCTION: Health and Sanitation
ACTIVITY: Hospital Care

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Services and Supplies	-	-	-	-	170,730	-	(170,730)
Other Charges	-	-	-	4,000,000	4,000,000	-	(4,000,000)
Contingencies	-	-	-	-	6,747,313	12,434,886	5,687,573
Total Appropriation	-	-	-	4,000,000	10,918,043	12,434,886	1,516,843
Operating Transfers Out	-	18,633,000	15,000,000	18,933,000	18,933,000	15,000,000	(3,933,000)
Total Requirements	-	18,633,000	15,000,000	22,933,000	29,851,043	27,434,886	(2,416,157)
Departmental Revenue							
Use of Money and Prop	269,155	280,108	479,359	689,674	250,000	500,000	250,000
Other Revenue	18,204,159	18,477,299	16,958,783	17,750,757	16,173,588	18,000,000	1,826,412
Total Revenue	18,473,314	18,757,407	17,438,142	18,440,431	16,423,588	18,500,000	2,076,412
Fund Balance					13,427,455	8,934,886	(4,492,569)

Other charges are decreased by the one-time transfer of \$4.0 million to Chaffey College that occurred in 2006-07.

Contingencies of \$12,434,886 are increased by \$5,687,573 to reflect increased revenues, offset by the decreased fund balance primarily resulting from the one-time transfer to Chaffey College.

Operating transfers out of \$15.0 million reflect a transfer to the general fund which is then used to fund the local cost within the Health Administration budget unit. Health Administration uses that local cost to fund the \$4.3 realignment local match requirement and \$10.7 of net debt service lease payment for Arrowhead Regional Medical Center. The decrease of \$3.9 million is a result of eliminating the contribution to general fund financing.

Interest revenue of \$500,000 is increased by \$250,000 to reflect current interest rates and increased other revenue.

Other revenue of \$18.0 million is increased by \$1.8 million to reflect an anticipated increase in revenue received from the major tobacco companies to the Master Settlement Agreement fund.

